

SB1319



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1319

Introduced 1/28/2025, by Sen. Ram Villivalam

SYNOPSIS AS INTRODUCED:

35 ILCS 505/8

from Ch. 120, par. 424

Amends the Motor Fuel Tax Law. Provides that, of the proceeds that are deposited into the Road Fund, \$27,000,000 shall be transferred each month to the Department of Transportation to be distributed to municipalities of the State, counties of the State, and road districts of the State according to a specified formula.

LRB104 08662 HLH 18716 b

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Motor Fuel Tax Law is amended by changing
5 Section 8 as follows:

6 (35 ILCS 505/8) (from Ch. 120, par. 424)

7 Sec. 8. Distribution of proceeds of tax. Except as
8 provided in subsection (a-1) of this Section, Section 8a,
9 subdivision (h) (1) of Section 12a, Section 13a.6, and items
10 13, 14, 15, and 16 of Section 15, all money received by the
11 Department under this Act, including payments made to the
12 Department by member jurisdictions participating in the
13 International Fuel Tax Agreement, shall be deposited into a
14 special fund in the State treasury, to be known as the Motor
15 Fuel Tax Fund, and shall be used as follows:

16 (a) 2 1/2 cents per gallon of the tax collected on special
17 fuel under paragraph (b) of Section 2 and Section 13a of this
18 Act shall be transferred to the State Construction Account
19 Fund in the State Treasury; the remainder of the tax collected
20 on special fuel under paragraph (b) of Section 2 and Section
21 13a of this Act shall be deposited into the Road Fund;

22 (a-1) Beginning on July 1, 2019, an amount equal to the
23 amount of tax collected under subsection (a) of Section 2 and

1 Section 13a as a result of the increase in the tax rate under
2 subsection (a) of Section 2 authorized by Public Act 101-32
3 shall be deposited each month into the Transportation Renewal
4 Fund; provided, however, that the amount that represents the
5 part (b) portion of the rate under Section 13a shall be
6 deposited each month into the Motor Fuel Tax Fund and the
7 Transportation Renewal Fund in the same proportion as the
8 amount collected under subsection (a) of Section 2;

9 (b) \$420,000 shall be transferred each month to the State
10 Boating Act Fund to be used by the Department of Natural
11 Resources for the purposes specified in Article X of the Boat
12 Registration and Safety Act;

13 (c) \$3,500,000 shall be transferred each month to the
14 Grade Crossing Protection Fund to be used as follows: not less
15 than \$12,000,000 each fiscal year shall be used for the
16 construction or reconstruction of rail highway grade
17 separation structures; \$5,500,000 in fiscal year 2022 and each
18 fiscal year thereafter shall be transferred to the
19 Transportation Regulatory Fund and shall be used to pay the
20 cost of administration of the Illinois Commerce Commission's
21 railroad safety program in connection with its duties under
22 subsection (3) of Section 18c-7401 of the Illinois Vehicle
23 Code, with the remainder to be used by the Department of
24 Transportation upon order of the Illinois Commerce Commission,
25 to pay that part of the cost apportioned by such Commission to
26 the State to cover the interest of the public in the use of

1 highways, roads, streets, or pedestrian walkways in the county
2 highway system, township and district road system, or
3 municipal street system as defined in the Illinois Highway
4 Code, as the same may from time to time be amended, for
5 separation of grades, for installation, construction or
6 reconstruction of crossing protection or reconstruction,
7 alteration, relocation including construction or improvement
8 of any existing highway necessary for access to property or
9 improvement of any grade crossing and grade crossing surface
10 including the necessary highway approaches thereto of any
11 railroad across the highway or public road, or for the
12 installation, construction, reconstruction, or maintenance of
13 safety treatments to deter trespassing or a pedestrian walkway
14 over or under a railroad right-of-way, as provided for in and
15 in accordance with Section 18c-7401 of the Illinois Vehicle
16 Code. The Commission may order up to \$2,000,000 per year in
17 Grade Crossing Protection Fund moneys for the improvement of
18 grade crossing surfaces and up to \$300,000 per year for the
19 maintenance and renewal of 4-quadrant gate vehicle detection
20 systems located at non-high speed rail grade crossings. In
21 entering orders for projects for which payments from the Grade
22 Crossing Protection Fund will be made, the Commission shall
23 account for expenditures authorized by the orders on a cash
24 rather than an accrual basis. For purposes of this requirement
25 an "accrual basis" assumes that the total cost of the project
26 is expended in the fiscal year in which the order is entered,

1 while a "cash basis" allocates the cost of the project among
2 fiscal years as expenditures are actually made. To meet the
3 requirements of this subsection, the Illinois Commerce
4 Commission shall develop annual and 5-year project plans of
5 rail crossing capital improvements that will be paid for with
6 moneys from the Grade Crossing Protection Fund. The annual
7 project plan shall identify projects for the succeeding fiscal
8 year and the 5-year project plan shall identify projects for
9 the 5 directly succeeding fiscal years. The Commission shall
10 submit the annual and 5-year project plans for this Fund to the
11 Governor, the President of the Senate, the Senate Minority
12 Leader, the Speaker of the House of Representatives, and the
13 Minority Leader of the House of Representatives on the first
14 Wednesday in April of each year;

15 (d) of the amount remaining after allocations provided for
16 in subsections (a), (a-1), (b), and (c), a sufficient amount
17 shall be reserved to pay all of the following:

18 (1) the costs of the Department of Revenue in
19 administering this Act;

20 (2) the costs of the Department of Transportation in
21 performing its duties imposed by the Illinois Highway Code
22 for supervising the use of motor fuel tax funds
23 apportioned to municipalities, counties and road
24 districts;

25 (3) refunds provided for in Section 13, refunds for
26 overpayment of decal fees paid under Section 13a.4 of this

1 Act, and refunds provided for under the terms of the
2 International Fuel Tax Agreement referenced in Section
3 14a;

4 (4) from October 1, 1985 until June 30, 1994, the
5 administration of the Vehicle Emissions Inspection Law,
6 which amount shall be certified monthly by the
7 Environmental Protection Agency to the State Comptroller
8 and shall promptly be transferred by the State Comptroller
9 and Treasurer from the Motor Fuel Tax Fund to the Vehicle
10 Inspection Fund, and for the period July 1, 1994 through
11 June 30, 2000, one-twelfth of \$25,000,000 each month, for
12 the period July 1, 2000 through June 30, 2003, one-twelfth
13 of \$30,000,000 each month, and \$15,000,000 on July 1,
14 2003, and \$15,000,000 on January 1, 2004, and \$15,000,000
15 on each July 1 and October 1, or as soon thereafter as may
16 be practical, during the period July 1, 2004 through June
17 30, 2012, and \$30,000,000 on June 1, 2013, or as soon
18 thereafter as may be practical, and \$15,000,000 on July 1
19 and October 1, or as soon thereafter as may be practical,
20 during the period of July 1, 2013 through June 30, 2015,
21 for the administration of the Vehicle Emissions Inspection
22 Law of 2005, to be transferred by the State Comptroller
23 and Treasurer from the Motor Fuel Tax Fund into the
24 Vehicle Inspection Fund;

25 (4.5) beginning on July 1, 2019, the costs of the
26 Environmental Protection Agency for the administration of

1 the Vehicle Emissions Inspection Law of 2005 shall be
2 paid, subject to appropriation, from the Motor Fuel Tax
3 Fund into the Vehicle Inspection Fund; beginning in 2019,
4 no later than December 31 of each year, or as soon
5 thereafter as practical, the State Comptroller shall
6 direct and the State Treasurer shall transfer from the
7 Vehicle Inspection Fund to the Motor Fuel Tax Fund any
8 balance remaining in the Vehicle Inspection Fund in excess
9 of \$2,000,000;

10 (5) amounts ordered paid by the Court of Claims; and

11 (6) payment of motor fuel use taxes due to member
12 jurisdictions under the terms of the International Fuel
13 Tax Agreement. The Department shall certify these amounts
14 to the Comptroller by the 15th day of each month; the
15 Comptroller shall cause orders to be drawn for such
16 amounts, and the Treasurer shall administer those amounts
17 on or before the last day of each month;

18 (e) after allocations for the purposes set forth in
19 subsections (a), (a-1), (b), (c), and (d), the remaining
20 amount shall be apportioned as follows:

21 (1) Until January 1, 2000, 58.4%, and beginning
22 January 1, 2000, 45.6% shall be deposited as follows:

23 (A) 37% into the State Construction Account Fund;

24 and

25 (B) 63% into the Road Fund; of the amounts
26 deposited into the Road Fund under this subparagraph

(B) :

(i) ~~or~~ \$1,250,000 of which shall be reserved each month for the Department of Transportation to be used in accordance with the provisions of Sections 6-901 through 6-906 of the Illinois Highway Code; and

(ii) \$27,000,000 shall be transferred each month to the Department of Transportation to be distributed to municipalities of the State, counties of the State, and road districts of the State, according to the formula set forth in paragraph (2) of this subsection (e); and

(2) Until January 1, 2000, 41.6%, and beginning January 1, 2000, 54.4% shall be transferred to the Department of Transportation to be distributed as follows:

(A) 49.10% to the municipalities of the State,

(B) 16.74% to the counties of the State having 1,000,000 or more inhabitants.

(C) 18.27% to the counties of the State having less than 1,000,000 inhabitants.

(D) 15.89% to the road districts of the State.

If a township is dissolved under Article 24 of the Township Code, McHenry County shall receive any moneys that would have been distributed to the township under this subparagraph, except that a municipality that assumes the powers and responsibilities of a road district under

1 paragraph (6) of Section 24-35 of the Township Code shall
2 receive any moneys that would have been distributed to the
3 township in a percent equal to the area of the dissolved
4 road district or portion of the dissolved road district
5 over which the municipality assumed the powers and
6 responsibilities compared to the total area of the
7 dissolved township. The moneys received under this
8 subparagraph shall be used in the geographic area of the
9 dissolved township. If a township is reconstituted as
10 provided under Section 24-45 of the Township Code, McHenry
11 County or a municipality shall no longer be distributed
12 moneys under this subparagraph.

13 As soon as may be after the first day of each month, the
14 Department of Transportation shall allot to each municipality
15 its share of the amount apportioned to the several
16 municipalities which shall be in proportion to the population
17 of such municipalities as determined by the last preceding
18 municipal census if conducted by the Federal Government or
19 Federal census. If territory is annexed to any municipality
20 subsequent to the time of the last preceding census the
21 corporate authorities of such municipality may cause a census
22 to be taken of such annexed territory and the population so
23 ascertained for such territory shall be added to the
24 population of the municipality as determined by the last
25 preceding census for the purpose of determining the allotment
26 for that municipality. If the population of any municipality

1 was not determined by the last Federal census preceding any
2 apportionment, the apportionment to such municipality shall be
3 in accordance with any census taken by such municipality. Any
4 municipal census used in accordance with this Section shall be
5 certified to the Department of Transportation by the clerk of
6 such municipality, and the accuracy thereof shall be subject
7 to approval of the Department which may make such corrections
8 as it ascertains to be necessary.

9 As soon as may be after the first day of each month, the
10 Department of Transportation shall allot to each county its
11 share of the amount apportioned to the several counties of the
12 State as herein provided. Each allotment to the several
13 counties having less than 1,000,000 inhabitants shall be in
14 proportion to the amount of motor vehicle license fees
15 received from the residents of such counties, respectively,
16 during the preceding calendar year. The Secretary of State
17 shall, on or before April 15 of each year, transmit to the
18 Department of Transportation a full and complete report
19 showing the amount of motor vehicle license fees received from
20 the residents of each county, respectively, during the
21 preceding calendar year. The Department of Transportation
22 shall, each month, use for allotment purposes the last such
23 report received from the Secretary of State.

24 As soon as may be after the first day of each month, the
25 Department of Transportation shall allot to the several
26 counties their share of the amount apportioned for the use of

1 road districts. The allotment shall be apportioned among the
2 several counties in the State in the proportion which the
3 total mileage of township or district roads in the respective
4 counties bears to the total mileage of all township and
5 district roads in the State. Funds allotted to the respective
6 counties for the use of road districts therein shall be
7 allocated to the several road districts in the county in the
8 proportion which the total mileage of such township or
9 district roads in the respective road districts bears to the
10 total mileage of all such township or district roads in the
11 county. After July 1 of any year prior to 2011, no allocation
12 shall be made for any road district unless it levied a tax for
13 road and bridge purposes in an amount which will require the
14 extension of such tax against the taxable property in any such
15 road district at a rate of not less than either .08% of the
16 value thereof, based upon the assessment for the year
17 immediately prior to the year in which such tax was levied and
18 as equalized by the Department of Revenue or, in DuPage
19 County, an amount equal to or greater than \$12,000 per mile of
20 road under the jurisdiction of the road district, whichever is
21 less. Beginning July 1, 2011 and each July 1 thereafter, an
22 allocation shall be made for any road district if it levied a
23 tax for road and bridge purposes. In counties other than
24 DuPage County, if the amount of the tax levy requires the
25 extension of the tax against the taxable property in the road
26 district at a rate that is less than 0.08% of the value

1 thereof, based upon the assessment for the year immediately
2 prior to the year in which the tax was levied and as equalized
3 by the Department of Revenue, then the amount of the
4 allocation for that road district shall be a percentage of the
5 maximum allocation equal to the percentage obtained by
6 dividing the rate extended by the district by 0.08%. In DuPage
7 County, if the amount of the tax levy requires the extension of
8 the tax against the taxable property in the road district at a
9 rate that is less than the lesser of (i) 0.08% of the value of
10 the taxable property in the road district, based upon the
11 assessment for the year immediately prior to the year in which
12 such tax was levied and as equalized by the Department of
13 Revenue, or (ii) a rate that will yield an amount equal to
14 \$12,000 per mile of road under the jurisdiction of the road
15 district, then the amount of the allocation for the road
16 district shall be a percentage of the maximum allocation equal
17 to the percentage obtained by dividing the rate extended by
18 the district by the lesser of (i) 0.08% or (ii) the rate that
19 will yield an amount equal to \$12,000 per mile of road under
20 the jurisdiction of the road district.

21 Prior to 2011, if any road district has levied a special
22 tax for road purposes pursuant to Sections 6-601, 6-602, and
23 6-603 of the Illinois Highway Code, and such tax was levied in
24 an amount which would require extension at a rate of not less
25 than .08% of the value of the taxable property thereof, as
26 equalized or assessed by the Department of Revenue, or, in

1 DuPage County, an amount equal to or greater than \$12,000 per
2 mile of road under the jurisdiction of the road district,
3 whichever is less, such levy shall, however, be deemed a
4 proper compliance with this Section and shall qualify such
5 road district for an allotment under this Section. Beginning
6 in 2011 and thereafter, if any road district has levied a
7 special tax for road purposes under Sections 6-601, 6-602, and
8 6-603 of the Illinois Highway Code, and the tax was levied in
9 an amount that would require extension at a rate of not less
10 than 0.08% of the value of the taxable property of that road
11 district, as equalized or assessed by the Department of
12 Revenue or, in DuPage County, an amount equal to or greater
13 than \$12,000 per mile of road under the jurisdiction of the
14 road district, whichever is less, that levy shall be deemed a
15 proper compliance with this Section and shall qualify such
16 road district for a full, rather than proportionate, allotment
17 under this Section. If the levy for the special tax is less
18 than 0.08% of the value of the taxable property, or, in DuPage
19 County if the levy for the special tax is less than the lesser
20 of (i) 0.08% or (ii) \$12,000 per mile of road under the
21 jurisdiction of the road district, and if the levy for the
22 special tax is more than any other levy for road and bridge
23 purposes, then the levy for the special tax qualifies the road
24 district for a proportionate, rather than full, allotment
25 under this Section. If the levy for the special tax is equal to
26 or less than any other levy for road and bridge purposes, then

1 any allotment under this Section shall be determined by the
2 other levy for road and bridge purposes.

3 Prior to 2011, if a township has transferred to the road
4 and bridge fund money which, when added to the amount of any
5 tax levy of the road district would be the equivalent of a tax
6 levy requiring extension at a rate of at least .08%, or, in
7 DuPage County, an amount equal to or greater than \$12,000 per
8 mile of road under the jurisdiction of the road district,
9 whichever is less, such transfer, together with any such tax
10 levy, shall be deemed a proper compliance with this Section
11 and shall qualify the road district for an allotment under
12 this Section.

13 In counties in which a property tax extension limitation
14 is imposed under the Property Tax Extension Limitation Law,
15 road districts may retain their entitlement to a motor fuel
16 tax allotment or, beginning in 2011, their entitlement to a
17 full allotment if, at the time the property tax extension
18 limitation was imposed, the road district was levying a road
19 and bridge tax at a rate sufficient to entitle it to a motor
20 fuel tax allotment and continues to levy the maximum allowable
21 amount after the imposition of the property tax extension
22 limitation. Any road district may in all circumstances retain
23 its entitlement to a motor fuel tax allotment or, beginning in
24 2011, its entitlement to a full allotment if it levied a road
25 and bridge tax in an amount that will require the extension of
26 the tax against the taxable property in the road district at a

1 rate of not less than 0.08% of the assessed value of the
2 property, based upon the assessment for the year immediately
3 preceding the year in which the tax was levied and as equalized
4 by the Department of Revenue or, in DuPage County, an amount
5 equal to or greater than \$12,000 per mile of road under the
6 jurisdiction of the road district, whichever is less.

7 As used in this Section, the term "road district" means
8 any road district, including a county unit road district,
9 provided for by the Illinois Highway Code; and the term
10 "township or district road" means any road in the township and
11 district road system as defined in the Illinois Highway Code.
12 For the purposes of this Section, "township or district road"
13 also includes such roads as are maintained by park districts,
14 forest preserve districts and conservation districts. The
15 Department of Transportation shall determine the mileage of
16 all township and district roads for the purposes of making
17 allotments and allocations of motor fuel tax funds for use in
18 road districts.

19 Payment of motor fuel tax moneys to municipalities and
20 counties shall be made as soon as possible after the allotment
21 is made. The treasurer of the municipality or county may
22 invest these funds until their use is required and the
23 interest earned by these investments shall be limited to the
24 same uses as the principal funds.

25 (Source: P.A. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;
26 102-699, eff. 4-19-22; 103-8, eff. 6-7-23.)